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The Hon. Steven Guilbeault  
Minister of Environment and Climate Change  
Ottawa, Ontario

September 30, 2022

Dear Minister Guilbeault,

**Please accept the following as a contribution to the emissions cap consultation.**

We are at 1.2C degrees of global average temperature increase [1]. Global devastation is obvious.

In the Paris Agreement, all nations promised to keep global average temperature increase to as far below 2C as possible, and to try to hold to 1.5C.

The science is clear. Even at 1.5C, we risk exceeding globally dangerous and irreversible “tipping points” [2]. 1.5C is increasingly out of reach. Holding to 1.5C does not guarantee human civilization’s survival. It does not guarantee safety, especially for marginalized people. 2C is much worse. And yet, we are headed for 3C of global average temperature increase.

Canada’s Emissions Reduction Plan includes increasing oil and gas production by 21% by 2030 [3]. We are contributing more greenhouse gas emissions than any of the countries that are experiencing the worst impacts of climate change. We are the worst performing country in the G7 when it comes to reaching our Paris Agreement commitments [4]. Earlier in September, Pakistan, a country only responsible for less than 1% of the world’s historic emissions, experienced floods exacerbated by climate change that killed over 1000 people and impacted 33 million Pakistanis. Canadians are experiencing similar impacts as we see an increase in the frequency of events like forest fires on the West Coast and unprecedented hurricanes in Atlantic Canada. The most marginalized groups in Canadian society, including Indigenous communities with

whom Canada has only just begun a path of reconciliation, are the most likely to be burdened by climate change.

Your government has been talking about taking serious climate action for the past seven years. In the 2021 election, the prime minister promised to cap and cut emissions. The first question in this process should be “where is the cap set?” In the election, the prime minister said the cap would be set at 2021 emissions. This consultation is silent on that question.

To meet the requirements of science, the cap must ensure that not only do emissions from oil and gas production be set at 2021 levels, we must ensure that all upstream and downstream emissions be capped at 2021 levels. And we must cancel all projects that expand oil and gas infrastructure beyond the GHG emissions from domestic production.

Before discussing the emissions cap for oil and gas production, it is critical that the government ensure our emissions peak before 2025 through these steps within federal authority:

- 1) Cancel the TMX pipeline;
- 2) Reverse the Bay du Nord decision;
- 3) Use Chapter 4 of CEPA to ban fracking (pollution prevention).

The oil and gas industry in Canada makes up at most 5% of our national GDP [5]. The question is, why is this government walking on egg shells to keep organizations like the Canadian Association of Petroleum Producers happy, when they will surely try to weaken regulations once they are in place? It is time to be brave, refuse to grant the oil and gas lobby any more grace and return to the global stage as a climate leader.

It is disappointing that this consultation restricts the scope of discussion to two regulatory pricing approaches, without any regulatory option.

The discussion paper presented offers incremental and insufficient emissions reduction strategies that would get us nowhere near a 2 C, let alone a 1.5 C-warming pathway. It also misleads the public into believing there are only two options available to the federal government.

Before reviewing our specific recommendations, it bears repeating that net-zero by 2050 is already not sufficiently ambitious. It is not opposed by CAPP specifically because it grants to industry additional decades for producing dangerous emissions.

This discussion paper offers six decarbonisation strategies all of which are based on carrots and weak sticks. This approach allows the fossil fuel industry to continue development. This is unacceptable. The point of regulating emissions should be to get us on track to shut down the fossil fuel industry.

## **1. Emissions must peak before 2025**

The Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA) and other international bodies have warned that there should be no new development of oil and gas production. The IPCC has made it clear that emissions must peak at latest before 2025, followed by rapid emissions reductions throughout 2030, 2040 and 2050 [6]. Ignoring these warnings, the world's governments are currently on track to produce around 110% more fossil fuels in 2030 than what is compatible for a 1.5C-warming pathway, and 45% more fossil fuels than what is consistent with 2C-warming. A recent study suggested that the probability of governments keeping global warming under 1.5C by 2100 is only 0.1% unless aggressive policy actions – such as negative emissions technologies – are taken [7].

The point of this consultation should be setting in place a meaningful cap on oil and gas emissions. This consultation does not do that. Instead, it directs people to two different approaches as mechanisms to cap emissions: either use cap and trade or tinker with carbon pricing.

The oil and gas industry's current emissions in 2022 must be the highest ever level of greenhouse gas emissions from Canada. From here, we must aim for absolute emissions reduction targets. Emissions cannot peak later than 2025. We must have targets for where we should be at every five years, starting with 2025. Emissions in Canada must be reduced by 60% below 2005 levels by 2030.

## **2. We must treat climate change like the emergency that it is**

We cannot afford to delay making significant commitments for another decade. The climate crisis is an emergency demanding immediate attention and action.

As Minister of Environment and Climate Change, you have the power, right now, under Part 4 of the Canadian Environmental Protection Act (CEPA) to regulate the winding down of the fossil fuel sector. Part 4 is called the "pollution prevention" section for a reason. Since 2005, greenhouse gases have been listed as "toxic substances" within the meaning of CEPA. As CEPA "toxic" substances, the minister has authority to call on sectors emitting greenhouse gases to publish plans to drop emissions to targets set by the minister.

Another option would be using the emergency act to seriously tackle greenhouse gas emissions as a national health emergency. Either way, all oil and gas companies should

be required to release a plan that takes us to 60% below 2005 levels by 2030, and that shows the possibility of reaching absolute-zero emissions.

Many other tools exist. The government bought the Kinder Morgan pipeline to build it over objections of the BC government, the BC municipalities and most First Nations groups along its route. The government bought it to build it. We should explore buying oil sands operations in order to phase them out and shut them down.

According to the International Energy Agency (IEA), a historically pro-fossil fuel institution that has come around to align with the science, there is no need for further investment or approval of development of new oil and gas fields in our pathway to net-zero [8]. We must cancel the TMX Pipeline and revoke the license for the Bay Du Nord project. Canada must also ban fracking nationwide through the use of CEPA. Let's not forget that fracked gas has the same carbon footprint as coal. The emissions cap must be all inclusive and extend to regulating petroleum refineries and all emissions from natural gas transmission pipelines [9].

### **3. We must stop delaying the Just Transition act. Workers and vulnerable communities deserve protection**

Your government promised to cap and cut emissions in the 2021 election. Your government has been promising a Just Transition Act for fossil fuel workers since 2016 when former minister Catherine McKenna established the Task force for Coal-Sector workers. This government has failed to deliver. Instead, the government has buckled to the oil and gas lobby who only want to make a quarter of the already weak emissions reduction targets that the federal government is calling for by 2030.

A key component of phasing out of fossil fuels is ensuring that hard working Canadians in the energy sector, and heavily impacted marginalized communities, will have protection. Workers and communities need to feel like their concerns are not just being heard, but that we are actively taking measures to address their concerns. What resulted from the consultations with coal miners in 2018?

<https://www.canada.ca/en/environment-climate-change/services/climate-change/task-force-just-transition/final-report.html>

Those who participated in those consultations feel cheated from giving their time and energy to the process with nothing to show for it.

Moving forward with a Just Transition Act would be favourable for garnering support from workers in currently resource-dependent provinces, including Alberta, Saskatchewan and Newfoundland and Labrador. Fossil fuel companies and pro-oil politicians like to act as if they are speaking on behalf of hard working Canadians. When we look at the numbers we can see how construed this depiction really is. In

2019, 70% of Albertans who participated in a CBC poll believed that the economy in Alberta was too dependent on oil and gas [10]. Organizations like Iron and Earth are made up of Canadian fossil fuel workers who want to see an industry shift.

In 2019 and 2021, responding to the climate emergency was a top priority of voters. The companies trying to persuade the public that they have Canadians' best interests in mind fail to mention that 97% of the oil being pumped out of the ground in Canada is for foreign companies [11].

These are the sort of things that could be highlighted in a Just Transition Act, along with details of how this government plans to invest in renewable energy and establish a North-South East-West energy grid. Canadian energy workers and Indigenous communities whose lands are being used for resource development could actually feel encouraged by the possibilities for Canada's energy future.

#### **4. We must stop making excuses for ourselves and concessions for the oil and gas industry**

Greenhouse gas emissions from oil and gas production are Canada's largest source of climate-change emissions, at around 26-27 percent of the total. That is just production emissions, not factoring in consumption or transportation. Canadian oil and gas is carbon-intensive. Even with technological innovations, our oil production emits more emissions per barrel of oil produced than most other oil production around the world.

There is not enough time for us to keep making excuses. This discussion paper is littered with opportunities for the oil and gas industry to get out of making strong commitments to reducing their absolute emissions. Concern over carbon leakage is not a genuine reason to implement less stringent regulations. The oil sands in Canada are geographically confined, so moving operation would not be desirable for companies with major stakes in the oil sands. If they move, they throw out any credibility in their argument that they care about hard working Canadians. On top of that, Canada has some of the dirtiest oil in the world, so even if a company were to move operations, it is unlikely that the emissions they would be producing elsewhere would be greater than if the emissions were produced within Canada's borders. Compliance flexibilities, specifically carbon offsets, should absolutely not be allowed to be used to fulfill emissions caps. Carbon offsets have virtually no immediate or guaranteed impact and it is far too easy for companies to falsely reported offsets.

The oil and gas lobby is trying to buy time, maintain profits and weaken regulations. Are we going to continue to fall for their tricks, or stand up for the health of our children, our grandchildren, and all current and future generations?

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